

NEW HAMPSHIRE STATE LIQUOR COMMISSION
MINUTES
January 14, 2008

PRESENT: Chairman Mark Bodi; Commissioner Patricia Russell; Commissioner Richard Simard; Major Todd Feyrer, Enforcement; Craig Bulkley, Chief of Administration; George Tsiopras, Chief Financial Officer; John Bunnell, Administrator of Marketing & Sales; Peter Engel, Director of Store Operations; Tony Burns, Assistant Director of Store Operations; Rick Gerrish, Spirits Marketing Specialist; Nicole Brassard, Wine Marketing Specialist; Kathy McCabe, Director of Purchasing; Evie Taft, Director of Human Resources; Deb Milewski, Director of information Technology; Howard Roundy, OIT.

I) ACCEPTANCE OF MINUTES FROM THE DECEMBER 30, 2008 NH STATE LIQUOR COMMISSION MEETINGS

It was moved by Chairman Bodi, seconded by Commissioner Simard, that the Commission approve the minutes from the December 30, 2008 NH State Liquor Commission meeting. The motion was unanimously accepted.

Because of the interest of time, a motion was made by the Chairman to review Administrative Services Reports at the next meeting of January 21, 2009. It was moved by Commissioner Simard and seconded by Commissioner Russell. The motion was unanimously accepted.

II) ADMINISTRATIVE SERVICES REPORTS

- 1) Administrative Issues
The LSR's are starting to convert to bills. Craig will notify the Commission about hearing dates as they are scheduled.
- 2) Financial Report
- 3) IT Report
- 4) Human Resources Report

III) MARKETING AND SALES REPORT

- 1) Store Operations
Stores were down \$48,000 last week, a little under 1%. It's expected it was due to bad weather on Sunday. Maintenance is working hard across the street settling in and the place looks good. Peter recommended folks stop by to check it out if they like.

There are 2 items for today's Executive Session.

- 2) Merchandising Report
 - A. Purchasing
 - a. Sub-Pack "Less than full case" picking
It's noted that Chairman Bodi is reluctantly supporting this, and it's noted that Chairman Bodi agrees to the increase only because of the states revenues situation, and after a review of the Law Warehouse contract.
A motion was made by Chairman Bodi to approve the recommendation by John Bunnell to increase single bottle picking charges from \$.52 to \$1.00 for all licensee and agency orders to cover costs incurred to operate this program. The motion was seconded by Commissioner Simard, subject to the Law Contract, effective with the February quarterly pricing.

B. Warehouse

Stock is up 50% from last year at this time in the warehouse. It was explained by George that because last year we were down, the real volume number is up only 30% in the warehouse, as compared from year to year.

It was moved by Chairman Bodi to accept the items under Spirits as a whole. Commissioner Simard made the motion to group the Spirits Agenda items 1 through 10 for approval, except for item #3 (Annual Review Spirits Gross Profit), as recommended by Rick Gerrish. Commissioner Russell seconded the motion. The motion was unanimously adopted.

Note: Item #3 – Annual Review Spirits Gross Profit is TABLED until further discussion and review can take place.

C. Spirits

1. Test Market Request

- a. Approved the request received from Southern Wine & Spirits to list (ri) 1 Rye Whiskey, 750ML size (new code--#2156) as a test market item.

2. Test Market Results

Approved the delisting of the following test market/added size listings as they failed to reach gross profit requirements during their 6 month test period:

- a. Tiki Rita Margarita, 1.75L;
- b. Eden Pink Lemonade Rum Runner, 1.75L
- c. Cruzan Guava Rum, 750ML
- d. Kalishnikov Vodka, 750ML
- e. Kahlua French Vanilla, 375ML
- f. Kahlua Hazelnut, 375ML
- g. Chinaco Blanco Tequila, 750ML

Approved the change from full distribution to “specialty item” status for:

- h. Skyy Grape Vodka, 750ML
- i. Skyy Cherry Vodka, 750ML
- j. Boca Loca Cachaca, 750ML size.

3. Annual Review Spirits Gross Profits

Following the review of twelve month gross profit results for all spirit products, **TABLED** the delisting and warning recommendations submitted by Rick Gerrish.

4. March Special Offers

- a. Approved 14 spirit special offers received from Executive Wine & Spirits for the month of March, as recommended.
- b. Approved 5 spirit special offers received from Martignetti Companies of NH for the month of March, as recommended.
- c. Approved 64 spirit special offers received from Horizon Beverages for the month of March, as recommended

5. Approved the request received from Southern Wine & Spirits to expand the distribution of Code #3667, Boru Irish Vodka, 1.75L size from its current “Specialty” status to full distribution, as recommended.

6. Approved the One Time Buy request received from Perfecta Wine Company to purchase 115 cases of three wine-based spirits in the 1.0L size (#558, Tequesta Agave Especial-40 cases; #559, Triple Sec Flavor-35 cases; and #560, Rhumbero Superior-40 cases) as a one-time buy, as recommended

7. Approved the request received from Southern Wine & Spirits to conduct a BOGO sale with Code #2585, Jameson Irish Whiskey during the St. Patrick's Day sale period, March 12th through March 22nd whereby customers who buy one bottle will get 50% off the second bottle purchase, as recommended.
8. Acknowledged the request received from Southern Wine & Spirits to conduct an informational product demo in conjunction with Siku Vodka in selected stores during the promotional month of February.
9. Following the review of twelve month gross profit results for all 50ML size products, approved the delisting of codes #3735, Absolut Kurant and #3742, Gordons Vodka, as they fell below the yearly minimum gross profit requirement of \$4,750 to remain listed.
10. Approved reducing the sale price of nine spirit products to \$19.99 during the President's Day Sale period, February 5th through February 16th, as recommended.

It was moved by Chairman Bodi to accept the items under Wines as a whole. Commissioner Simard made the motion to group the Wines Agenda items 1 through 7 for approval, as recommended by Nicole Brassard. Commissioner Russell seconded the motion. The motion was unanimously adopted.

D. Wines

1. Approved the request received from Martignetti Companies of NH to hold in-store tastings at 3 stores on January 28th from 4-6:30 p.m. as follows:
 - Portsmouth - store #6 with Joe Carr pouring wine codes #45845, 47092, 43872 and 11219
 - Bedford - store #55 with John Buehler and Bill Murphy pouring wine codes #26383, 24493, 44714, 35075, 38954, 35076, and 11306
 - Nashua - store #69 with Serge Dore and Francesco Zonin pouring wine codes #10805, 10758, 11097, 31466, 36523, 11095, 11856, 19821, 25036, 44098 and 46753
2. Specialty Buy In for Wine Week 2009

Approved the purchase, in support of Wine Week celebrities, the following wine codes to be featured (1 case each) in stores 15, 34, 38, 55, 60, 66, 67, 69, 73 and 76 – David Hopkins wine codes #10931, 10932, 43540, and 44728.

Approved the purchase, in support of Wine Week celebrities, the following wine codes to be featured (2 cases each) in stores 15, 34, 38, 55, 60, 66, 67, 69, 73 and 76 – Michael Mondavi wine codes #11452, 11453, 43092, & 11451; Joseph Carr wine code #11219; Francesco Zonin wine codes #11856, 46753 & 44098; Peter Paul wine codes #10498 & #43482; and John Matta wine codes #11355 & #11356,
3. Wine Week Sale with NHSLC pricing added

Approved a list of wines to be featured in advertising and floor displays (at the manager's discretion) for Wine Week 2009 during the Celebrities Wine Sale, January 23rd through February 1st
4. Close Outs

Approved close out pricing for six wine products (codes 35057, 44070, 45693, 45694, 45695, 45696)
5. March 2009 E-Mail Alert Coupon

Approved the request received from Southern Wine & Spirits to feature three Rosenblum

wine codes during our promotional March e-mail alert program

6. Recommended Wines for Distribution to Selected Stores
Approved the recommended allocated wines for distribution to selected stores (22 items), submitted by Nicole dated January 13th
7. Primary Source Recommendations
Approved all primary source submissions
 - a. Exclusive – 10, Imported – 5
 - b. Exclusive – 21, Imported - 16

IV) ENFORCEMENT & LICENSING REPORT

V) CHAIRMAN'S REPORT & LATE ITEMS

Bailment Requests

1. Coupon Approvals
2. Legal Issues
3. Late Items/Other

VI) EXECUTIVE SESSION

At 1:20 p.m. a motion was made by Chairman Bodi to go into non-public session under Section 11(a) and (d) of RSA 91-a for the purpose of promoting and disciplining personnel, seconded by Commissioners Russell and Simard, which was unanimously adopted on a roll call vote.

Mark M. Bodi, Chairman

Patricia T. Russell, Commissioner

Richard E. Simard, Commissioner